General Policy

Policy Title:	**Risk Management**
Policy No:	213

Directorate:	Executive Services
Responsible Officer:	Chief Executive Officer

Adopted Date:	Policy and Planning Meeting – 05/07/2017
Review Date:	05/07/2019

VERSION	MEETING APPROVED	MEETING DATE	HISTORY
1	Policy and Strategy Meeting	02/08/2011	New Policy
2	Policy and Planning Meeting	05/07/2017	Review

Authorities:	*Local Government Regulation 2012* AS/NZS ISO 31000:2009 Risk Management - Principles and guidelines

INTRODUCTION:

Risk is an inherent part of all Council's daily activities. Council will maintain a flexible approach to managing organisational risks. This will require open communication, teamwork and a commitment from the Executive Leadership Team (ELT). Council will implement, maintain and review risk management systems based on AS/NZS ISO31000:2009 – Principles and guidelines).

Under this Policy risk management will reside within existing Council decision-making and approval processes. Risk is managed through Council's *Risk Management Plan*.

OBJECTIVES:

To provide information and guidance on the management of risk across Council. To promote better operational and strategic decision-making by Council and its employees. To prevent where possible and minimise the negative consequences and maximise opportunities across all Council activities.

POLICY STATEMENT:

Council's philosophy towards risk

Council recognises that enterprise risk management creates and protects the value that Council generates for community. Effective enterprise risk management is a critical and integral part of good management and corporate governance.

Council's policy aims to increase confidence and enhance the value that stakeholders place in the services and activities delivered by Council.

Risk appetite

Council has a relatively conservative appetite for risk. In particular, Council has no appetite   for risks that will:

(a) Have a significant negative impact on Council's long-term financial sustainability; or
(b) Results in breaches of legislative requirements and/or significant legal claims against Council; or
(c) Compromise the safety and welfare of employees, contractors and/or members of the community; or
(d) Cause significant and/or irreparable damage to the environment; or
(e) Result in major disruption to the delivery of key Council services and/or significant loss of key assets or infrastructure; or
(f) Result in widespread or sustained damage to Council's reputation.

Council has appetite for risks associated with:

(a) Positive impacts on Council's long-term financial sustainability; or
(b) Improving efficiency and/or generating additional sources of income; or
(c) Improving the economy of the region; or
(d) Ensuring legislative compliance and/or reducing the likelihood of successful legal claims against Council; or
(e) Ensuring the safety and welfare of employees, contractors and/or members of the community; or
(f) Maintaining, protecting and/or enhancing the environment to provide greater amenity to the community; or
(g) Maintaining and where necessary improving the levels of service to the community; or
(h) Providing/offering a significant community benefit.

Council's risk tolerance and capacity is assessed on a case by case basis.

Commitment to risk

Council and the ELT view enterprise wide risk management as an important and strategic initiative towards providing reasonable assurance that organisational objectives will be achieved through the identification and efficient management of potential risks. A commitment to effective enterprise risk management will help Council attain long term sustainability and meet community expectations.

Good corporate governance will be promoted by encouraging a culture of prudent risk taking within the tolerable risk limits of the organisation in making informed decisions about opportunities.

RESPONSIBILITIES:

The Chief Executive Officer retains overall responsibility for risk management within Council.

The ELT provide strategic direction and support to their staff.

Supervisors and Managers will implement and maintain risk management processes consistent with the requirements of the *Risk Management Plan*.

All employees will undertake training to understand risk management issues and how to manage risk pursuant to Council's *Risk Management Plan*.